GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

MINES & MINERALS - M/s APMDC - Permission for issuance of Bonds for an amount upto Rs.9,000 Crores (Rupees Nine Thousand Crores only) by APMDC – Providing Government Guarantee for an amount of Rs.9,000 Crores (Rupees Nine Thousand Crores only) - Orders - Issued.

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INDUSTRIES & COMMERCE (M.III) DEPARTMENT

G.O.MS.No. 33 Dated: 12-03-2025

Read the following:

From the VC&MD, APMDC, single e-file bearing No.APMDC-15/1/2024-ACCOUNTS SEC-APMDC, Dt. 06.03.2025. (Comp No: 2379505)

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ORDER:

In the circumstances reported by the Vice-Chairman & Managing Director, the Andhra Pradesh Mineral Development Corporation Limited (APMDC) vide reference 1st read above, after careful examination of the proposal, Government hereby accord permission to the APMDC Limited to issue Bonds for an amount up to Rs.9,000 Crores (Rupees Nine Thousand Crores only) to acquire and develop new mining projects as well as invest in any other profitable ventures, subject to the following conditions:

i. The Bonds shall be secured by way of an unconditional and irrevocable Guarantee by the State Government of Andhra Pradesh for the timely servicing of interest and principal, which will be valid till the full and final redemption of the entire Bonds.
ii. The Guarantee shall cover the entire Secured Obligation (including interest and principal) till the full and final redemption of the Bonds and can be invoked multiple times, as and when such obligations arise.
iii. Servicing of the Bonds shall be done by APMDC and the APMDC is permitted to provide the required securities to secure the bonds.
iv. However, in the event of APMDC failing to perform its obligations including but not limited to i) payment of amounts due and payable towards principal, interest and other charges on respective due dates; ii) replenishment of shortfall in the debt service reserve amount, the State Government shall, as per the terms of the Guarantee Deed and without reference to APMDC, deposit the necessary amounts to the Bond Servicing Account (BSA) or the Debt Service Reserve Account (DSRA), as the case may be.
v. APMDC shall take any further loans only with the approval of the Government of Andhra Pradesh to keep their debt burden under control.
vi. The APMDC has to pay the Guarantee commission @ 2% on the guaranteed amount of Rs.9000/- Crores (Rupees Nine Thousand Crores only) as one time measure.

P.T.O.

2. The Vice Chairman & Managing Director, the Andhra Pradesh Mineral Development Corporation Ltd. shall take necessary further action accordingly in the matter.

3. The Deed of Guarantee cum Undertaking be signed by the authorized official(s) of the Government of Andhra Pradesh.

4. This order issued with the concurrence of the Finance Department vide Note#64 in e-file bearing No.2379505, dated 06-03-2025.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

PRAVIN KUMAR
SECRETARY TO GOVERNMENT (MINES)

To
The Vice Chairman & Managing Director, APMDC, Kanuru, Vijayawada
Copy to:
The Finance (FMU, I&C, I&I & Energy) Department.
The Law Department.
The PS to Spl CS. to CM.
The OSD to Minister(M&G).
The PS to Secy. to Govt.(M).
SF/SCs.

// FORWARDED : : BY ORDER //

SECTION OFFICER